

Apple faces its 'Nike moment'

Level 3 • Advanced

1 Warmer

What products do Apple and Nike produce?

Where are the items made?

2 Key words

a. Write the key words from the article next to the definitions below.

allegations

contractor

disown

facilities

outcry

outrage

ruthless

scrutiny

spate

sweatshop

1. a person or company whose job is to provide goods or to do work for another person, organization, company, etc. at a particular price _____
2. a large number of things of the same type, usually bad things, that suddenly happen in a very short period of time _____
3. careful examination _____
4. a factory where people work very hard in bad conditions and earn very little money _____
5. areas or buildings used for a particular purpose _____
6. a strong feeling of anger and shock at something that you feel is wrong or unfair _____
7. willing to make other people suffer so that you can achieve your aims _____
8. an angry expression of protest or shock by a lot of people, as a reaction to something that someone has done or to something that has happened _____
9. to say that you no longer want to be connected with someone or something, for example because you are ashamed of them _____
10. statements that someone has done something wrong or illegal even though this has not been proved _____

b. Find these words or expressions in the article.

1. two words for money that you earn for working (paras 3 and 4)
2. two expressions for when you get more money in your job (paras 4 and 11)
3. a two-word expression to show that you need to work fewer additional hours than before (para 15)
4. a two-word expression to describe a system for making products in a factory in which each worker or machine is responsible for adding or checking a particular part (para 17)

3 Find the information

Scan the article to find the answers to these questions.

1. What bad business practices is the article about?
2. Which part of the world does it refer to?
3. What are the two main companies referred to in the article?

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Apple faces its 'Nike moment' over working conditions in Chinese factories

Apple contractor Foxconn raises wages by 25% after reports of long hours for the hundreds of thousands of staff in China

Charles Arthur and agencies
20 February, 2012

- 1 Apple is facing a "Nike moment", which hit the shoe company in the 1990s when its use of cheap labour in the Far East was revealed, one of the inspectors of Apple's Chinese suppliers has said.
- 2 Speaking to ABC News' Nightline programme, Ines Kaempfer of the US Fair Labor Association (FLA), which is inspecting the Foxconn assembly plants used by Apple in China, said: "There was a moment for Nike in the '90s when they got a lot of publicity, negative publicity. And they weren't the worst. It's probably like Apple. They're not necessarily the worst, it's just that the publicity is starting to build up. We call it the 'Nike moment' in the industry."
- 3 Foxconn, which is one of Apple's main contractors, said on Monday it had raised wages by up to 25% after a spate of suicides in 2011 and reports of long hours for the hundreds of thousands of staff.
- 4 It is the second significant salary increase in less than two years at the world's largest electronics contract manufacturer, where workers' conditions have come under intense scrutiny.
- 5 The FLA inspection came at the prompting of Apple, the first technology company to join it. The FLA aims to end sweatshop conditions in factories.
- 6 The continuing reports of deaths and distress at Foxconn have created a PR problem for Apple, which is seen as the principal user of the company's facilities. So far Hewlett-Packard, Microsoft and Dell, which also use Foxconn for assembly work, have not commented on their use of its factories.
- 7 None is presently a member of the FLA, whose membership is principally made up of clothing companies with suppliers in the Far East.
- 8 Tim Cook, Apple's Chief Executive, says that the company takes working conditions very seriously and that every worker has the right to a fair and safe work environment.
- 9 Foxconn, which has its headquarters in Taiwan, employs about 1.2 million workers at a handful of plants in China, which are run with almost military discipline. Staff work for six or seven days a week and for up to 14 hours a day.
- 10 The workers assemble iPhones and iPads for Apple, Xbox 360 video game consoles for Microsoft, and computers for Dell and Hewlett-Packard. Foxconn is one of China's largest single private employers.
- 11 Foxconn's staff now receive 1,800-2,500 yuan (\$285-395) a month after the pay rises that became effective from 1 February, the company said.
- 12 "This is the way capitalism is supposed to work," David Autor, an economist at the Massachusetts Institute of Technology, told *The New York Times*. "As nations develop, wages rise and life theoretically gets better for everyone."
- 13 "But in China, for that change to be permanent, consumers have to be willing to bear the consequences. When people read about bad Chinese factories in the paper, they might have a moment of outrage. But then they go to Amazon and are as ruthless as ever about paying the lowest prices."
- 14 Nike faced an outcry in the 1990s when independent reports revealed sweatshop conditions at a number of its suppliers – and which the company initially tried to disown, saying conditions were the companies' responsibility. Continued protests changed its mind.
- 15 Foxconn is also taking measures to limit working hours. The pay rises are compensation for workers' reduced overtime, Company Spokesman Simon Hsing said in a statement. Foxconn said it was co-operating with the FLA inspectors, pledging again to provide a safe and fair working environment.
- 16 In 2010, a spate of suicides at an enormous Foxconn complex in the southern boomtown of Shenzhen drew attention to the stress many young workers were under.
- 17 The company denied allegations that it ran excessively fast assembly lines and demanded too much overtime, but it soon announced two pay

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- risers that more than doubled basic salaries to up to 2,000 yuan a month.
- 18 In February, dozens of workers assembling video game consoles climbed to a Foxconn factory dormitory roof in the central Chinese city of Wuhan and some threatened to jump to their deaths amid a dispute over job transfers.
- 19 *The New York Times* reported that workers welcomed the pay rises and overtime limits, though some were unsure they would cause much real change.
- 20 "When I was in Foxconn, there were rumours about pay raises every now and then, but I've never seen that day happen until I left," said Gan Lunqun, 23, a former Foxconn worker. "This time it sounds more credible."
- 21 Foxconn has also announced plans to invest millions in robots and to automate aspects of production.
- © Guardian News and Media 2012
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4 Comprehension check

Answer these questions with information from the article.

- What is the business relationship between Foxconn and Apple?
- Which other global companies do business with Foxconn?
- What is the FLA and what is their involvement in this news story?
- What happened in Shenzhen and what consequences did this have?
- How are consumers not helping the situation?
- What does the expression 'Nike moment' refer to?

5 Working conditions

Fill in the Foxconn column in the chart with information from the article. Then fill in the column headed 'you' with information on the working conditions in your job. Compare.

working conditions	Foxconn	you
hours per day		
days per week		
overtime expected?		
stress level		
motivation		
working environment		
sick pay	–	
pension	–	
breaks per day	–	
holiday entitlement	–	

6 Discussion

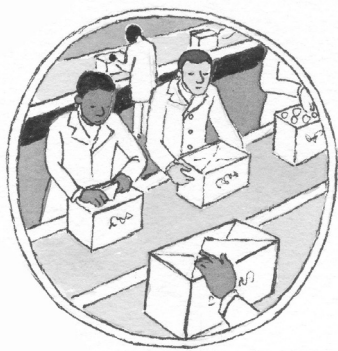
What less-than-perfect working conditions would you be willing to accept? What working conditions would you consider completely unacceptable?

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7 A talk with the boss

Role cards:



Employee

Talk to your boss and try to negotiate better working conditions for you and your colleagues.

Be factual, professional and realistic, and be prepared to compromise if necessary.



Boss

Your employee has asked to talk to you about working conditions. Listen carefully and be prepared to make some concessions and meet the employee halfway.

Be fair, factual, professional and reasonable in your conduct.

Images: Macmillan South Africa

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KEY

1 Warmer

Teacher's note: If anyone in the class has items produced by either Apple or Nike with them, ask them to check whether they can see anything that indicates where the item was made, produced or assembled.

2 Key words

a.

1. contractor
2. spite
3. scrutiny
4. sweatshop
5. facilities
6. outrage
7. ruthless
8. outcry
9. disown
10. allegations

b.

1. wages; salary
2. salary increase; pay rise
3. reduced overtime
4. assembly line

3 Find the information

1. cheap labour and bad working conditions
2. China
3. Foxconn and Apple

4 Comprehension check

1. Apple products are assembled in Foxconn's factories in China.
2. The article mentions HP, Microsoft and Dell.
3. The US Fair Labor Association. They inspected working conditions at Foxconn on Apple's behalf.

4. A number of young workers at Foxconn committed suicide. This brought the story to the attention of the world's media.
5. Consumers still want to buy the products as cheaply as possible regardless of the working conditions of the people who assemble the products.
6. Nike got a lot of negative publicity in the 1990s for using cheap labour. The expression indicates that Apple is now also receiving negative publicity for similar reasons.

5 Working conditions

working conditions	Foxconn
hours per day	<i>up to 14</i>
days per week	<i>six or seven</i>
overtime expected?	<i>yes</i>
stress level	<i>high</i>
motivation	<i>low</i>
working environment	<i>almost military discipline</i>
sick pay	–
pension	–
breaks per day	–
holiday entitlement	–

7 A talk with the boss

Teacher's note: Cut out enough role cards (one Employee card and one Boss card for each pair of students) before the lesson. Make sure you give the students time to prepare their roles. The students playing the employees could sit together and the students playing the bosses could sit together and work out what they want to demand and how they are going to demand it before they start to talk in pairs or groups of four. Remind them that their aim is to reach an agreement that is acceptable to both sides.